

Risk Management Template

Service Set: *Business & Financial Systems Services*

One Book Process: *Consent to Subcontract - Contractor Purchasing Systems Reviews (CPSRs)*

Process Owner: *Bill Boseker,
(703) 767-3446,
wboseker@dcmchq.dla.mil*

- **CONTRACT / CUSTOMER REQUIREMENTS - CPSR**

Contract contains consent/notification requirement

Consent to subcontract risk necessitate a CPSR

- **SUPPLIER COMMON KEY PROCESSES**

- *Vendor rating system,*
- *Best value process,*
- *Internal purchasing system*
- *Audit process,*
- *Make/buy process*

- **RATIONALE FOR CHOICE -
CONTRACTOR VENDOR RATING SYSTEM**

- *Vendor rating system is a key process because selection of poor performing vendors places the Government at increased risk and can affect contract performance, cost, and schedule.*

- **CONTRACTOR VENDOR RATING SYSTEM**
 - P/C/S HIGH RISK

Consider likelihood of meeting performance, schedule and cost objectives, and the consequences if objectives are not met

Use contractor risk assessment format & CPSR risk matrix to determine level of risk

- **RATIONALE FOR HIGH RISK RATING**

Lack of vendor financial stability

Resources (manpower, equipment, materiel, facilities) not in place

History of poor performance

- **RISK HANDLING TOOL - SYSTEM EVALUATION**
 - **INTENSITY**
 - *The intensity of evaluation is adjusted based on risk assessment using risk matrix*
 - **SCHEDULE**
 - *Schedule a CPSR within the next six months*
 - **FREQUENCY**
 - *One year after completion of the corrective action plan*
- **RATIONALE FOR RISK HANDLING TOOL**
 - *Assess supplier ability to take actions necessary to ensure only qualified vendors are selected*

- **MONITORING ASSESSED RISK FOR IMPACT ON RISK RATING**

The CPSR identifies major and minor problems with the supplier's purchasing system.

The corrective action plan describes actions the supplier proposes to take to correct problems found by the CPSR

- **RISK HANDLING ADJUSTMENTS**

Risk rating is adjusted based on contractor taking corrective actions

- **RATIONALE FOR RISK MONITORING**

The supplier's purchasing system is monitored to ensure corrective actions are accomplished and problems are corrected

- ***RISK DOCUMENTATION FOR CPSR CONSISTS OF:***
 - The CPSR report,**
 - Corrective action plan, and**
 - Recommendations for system approval or disapproval**
- ***DOCUMENT ALL CPSR DEFICIENCIES***
- ***FOR DETAILED INFORMATION ON CPSR RISK MANAGEMENT SEE THE ONE BOOK CHAPTER ON CPSR AND THE RELATED GUIDEBOOK***
- ***RISK DOCUMENTATION IS A FORM OF COMMUNICATION***